The Caribbean Canadian Association of Waterloo Region

Financial Statements

Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Directors of The Caribbean Canadian Association of Waterloo Region

Qualified Opinion

We have audited the financial statements of The Caribbean Canadian Association of Waterloo Region, which comprise the statement of financial position as at December 31, 2024, and the statement of operations and net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The Caribbean Canadian Association of Waterloo Region as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, The Caribbean Canadian Association of Waterloo Region derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Caribbean Canadian Association of Waterloo Region. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenue over expenses, cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The Caribbean Canadian Association of Waterloo Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing The Caribbean Canadian Association of Waterloo Region's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate The Caribbean Canadian Association of Waterloo Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Caribbean Canadian Association of Waterloo Region's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Caribbean Canadian Association of Waterloo Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Caribbean Canadian Association of Waterloo Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause The Caribbean Canadian Association of Waterloo Region to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Waterloo, Ontario
January 29, 2026

Pollard Gagliardi Navickas LLP
Chartered Professional Accountants
Licensed Public Accountants

The Caribbean Canadian Association of Waterloo Region
Statement of Financial Position
As at December 31, 2024

	2024	2023
	$	$
Assets		
Current		
Cash	**245,949**	94,899
Term deposit (Note 3)	**20,777**	20,369
Grants receivable (Note 9)	**192,953**	0
Donations receivable (Note 4)	**4,619**	28,973
HST recoverable	**47,440**	27,203
Due from related party (Note 11)	**61,552**	0
Prepaid expenses	**1,000**	0
	574,290	171,444
Non-current		
Investments (cost $171,215 - 2023 - $163,769) (Note 5)	**218,194**	193,676
	792,484	365,120
Liabilities		
Current		
Accounts payable and accrued charges (Note 6)	**46,400**	12,225
Deferred grants (Notes 9 & 10)	**373,963**	60,000
Internally restricted funds	**0**	10,483
	420,363	82,708
Net Assets	**372,121**	282,412
	792,484	365,120

Approved on Behalf of the Board:

_____ Director

_____ Director

The Caribbean Canadian Association of Waterloo Region
Statement of Operations and Net Assets
Year Ended December 31, 2024

	2024	2023
	$	$
Revenue		
LiftOff program - Page 3	**76,384**	36,878
Program grants - Black History Month (Note 9)	**40,000**	32,000
Donations - scholarships	**25,157**	16,779
Donations - general	**10,943**	13,528
Fundraising	**10,370**	10,448
Program grants - mentorship (Note 9)	**4,600**	15,000
Membership dues	**35**	405
Other grants (Note 9)	**0**	39,706
	167,489	164,744
Expenses		
Program costs - other	**19,316**	57,156
Program costs - Black History Month	**40,907**	32,000
Scholarships awarded	**19,500**	18,500
Professional fees	**6,611**	250
Office and administration	**5,051**	1,148
Insurance	**4,664**	4,004
Program costs - mentorship	**4,600**	15,000
Interest and bank charges	**2,064**	1,652
Wages and benefits	**0**	9,706
Advertising and promotion	**0**	2,188
	102,713	141,604
Excess of revenue over expenses from operations	**64,776**	23,140
Other earnings		
Unrealized gain on investments	**16,960**	10,319
Dividend income	**7,558**	4,482
Interest income	**415**	568
	24,933	15,369
Excess of revenue over expenses	**89,709**	38,509
Net assets, beginning of year	**282,412**	243,903
Net assets, end of year	**372,121**	282,412

The Caribbean Canadian Association of Waterloo Region
LiftOff by CCAWR Program
Year Ended December 31, 2024

	2024	2023
	$	$
Revenue		
Government grants (Note 9)	**1,149,912**	1,037,475
Donations - general	**13,705**	0
Other grants (Note 9)	**4,790**	0
Interest income	**110**	704
	1,168,517	1,038,179
Expenses		
Wages and benefits	**797,348**	644,984
Professional fees	**103,013**	212,018
Rent	**100,083**	77,967
Office and administration	**36,582**	42,389
Seed fund awards	**22,210**	0
Advertising and promotion	**22,071**	6,694
Travel	**6,952**	4,133
Interest and bank charges	**3,204**	2,779
Program materials	**670**	10,337
	1,092,133	1,001,301
Excess of revenue over expenses	**76,384**	36,878

The Caribbean Canadian Association of Waterloo Region
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses	**89,709**	38,509
Unrealized gain on investments	**(16,960)**	(10,319)
Grants receivable	**(192,953)**	0
Donations receivable	**24,354**	(28,973)
HST recoverable	**(20,237)**	(14,403)
Prepaid expenses	**(1,000)**	0
Accounts payable and accrued charges	**34,175**	(17,702)
Deferred grant revenue	**313,963**	34,952
Internally restricted funds	**(10,483)**	10,483
	220,568	12,547
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	**(7,558)**	(4,482)
Due from related party	**(61,552)**	0
	(69,110)	(4,482)
Change in cash and equivalents	**151,458**	8,065
Cash and equivalents, beginning of year	**115,268**	107,203
Cash and equivalents, end of year	**266,726**	115,268
Cash and equivalents consist of the following:		
Cash	**245,949**	94,899
Term deposit	**20,777**	20,369
	266,726	115,268

1 Nature of Operations

The Caribbean Canadian Association of Waterloo Region was incorporated without share capital on November 28, 2002. Its primary activity is to promote the social, cultural and economic interests of, and advocate for, the Caribbean community in the Region of Waterloo on a non-profit basis.

In fiscal 2021, the organization entered into an agreement with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) to help black business owners and entrepreneurs across the country recover from economic impacts of COVID-19 and grow their businesses through the Black Entrepreneurship Program - Ecosystem Fund.

2 Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization and include the following accounting policies:

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions related to the expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be estimated and collection is reasonably assured. This policy is applied to grant revenue and donations as required.

Financial instruments

Measurement of financial instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets measured at amortized cost include cash, term deposit, donations receivable, grants receivable, HST recoverable, due from related party, and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued charges, deferred grant revenue, and internally restricted funds.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Transaction costs

The entity recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3 Term deposit

The organization holds a Guaranteed Investment Certificate (GIC) with a principal amount of $19,415. The GIC bears interest at a rate of 4% per annum and matures February 2026. Interest is payable at maturity. The investment is recorded at cost plus accrued interest, totaling $20,777 (2023 - $20,369).

4 Donations receivable

Donations to the organization are made through the Kitchener-Waterloo Multicultural Centre. The receivable balance represents donations made in the organization's name during the fiscal year, but not received from the Kitchener-Waterloo Multicultural Centre until subsequent to the year end.

5 Investments

Investments are recorded at fair market value. The major categories of investments at cost are as follows:

	2024	2023
	$	$
Fixed income	**25,301**	24,414
Balanced	**113,238**	108,919
Equity	**32,676**	30,436
	171,215	163,769

6 Accounts payable and accrued charges

Included in accounts payable and accrued charges are amounts owing for government remittances totaling $nil (2023 - $nil).

7 Economic dependence

The entity derives 83% (2023 - 82%) of its revenue from FedDev Ontario.

8 Use of estimates

The preparation of financials statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditure during the reported period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. Financial statement areas requiring significant estimates include accounts payable and accrued charges.

9 Revenue from grants

During the year, the organization received operating grants as follows:

	2024	2023
	$	$
Black Entrepreneurship Program Ecosystem Fund (BEPEF)	**1,122,528**	1,012,427
Grants Collected by Liftoff Black Innovation Hub (LBIH)	**138,563**	0
Region of Waterloo - Upstream Grant	**110,000**	0
Black History Month	**65,000**	15,000
Canadian Heritage	**0**	26,000
Economic Development - Entrepreneurial Initiatives Program	**50,000**	0
Supporting Black Canadian Communities Initiative Grant	**45,000**	0
Region of Waterloo	**22,210**	52,500
Racialized and Indigenous Supports for Equity (RISE) Grant	**10,000**	0
Summer Student Grant	**5,174**	9,706
University of Waterloo Inclusive Research Grant	**4,790**	0
TD Bank Pitch Competition	**0**	30,000
City of Kitchener	**0**	10,000
Kitchener-Waterloo Realtors Association	**0**	3,500
	1,573,265	1,159,133
Plus: prior year deferred BEPEF grant	**0**	25,048
Less: other deferred grants	**(373,963)**	(60,000)
	1,199,302	1,124,181

Grants internally restricted for Black History Month total $nil (2023 - $15,000) and $1,122,528 (2023 - $1,037,475) of the total grants are related to the LiftOff, Black Entrepreneurship Program Ecosystem Fund, program. At year end, $192,953 is receivable from the Black Entrepreneurship Program Ecosystem Fund which was received in 2025.

10 Deferred grants

Deferred grants consist of restricted operating funds received in the current year that relate to the following year. The deferred grants consist of:

	2024	2023
	$	$
Government of Canada - Black History Month 2025	**25,000**	0
Government of Canada - Supporting Black Canadian Communities Initiative	**45,000**	0
Region of Waterloo - Upstream Grant	**105,400**	0
Grants Collected by Liftoff Black Innovation Hub (LBIH)	**138,563**	0
Economic Development - Entrepreneurial Initiatives Program	**50,000**	0
Racialized and Indigenous Supports for Equity (RISE) Grant	**10,000**	0
Black Entrepreneurship Program Ecosystem Fund (BEPEF)	**0**	60,000
	373,963	60,000

11 Due from related party

Liftoff Black Innovation Hub (LBIH) is an entity created and operated by the Liftoff Executive Director, Trevor Charles, who accepted grants on behalf of The Caribbean Canadian Association of Waterloo Region and operated unknowingly to the organization. Despite legal proceeding still ongoing, the entity is anticipating recouping all funds transferred to LBIH

A measurement of uncertainty exists related to the grants accepted by LBIH on The Caribbean Canadian Association of Waterloo Region's behalf into a separate bank account. LBIH transferred grants worth $60,000 from Liftoff by The Caribbean Canadian Association of Waterloo Region's BMO bank account in 2024 and the organization expects this to be received after litigation proceedings have been completed. In addition, related costs incurred by LBIH in relation to these two grants cannot be determined due to lack of insight on the entity's financial activity. A conservative accounting policy has been adopted to defer the entire RISE grant of $10,000, and Economic Development grant of $50,000. As of the date of this report of the 2024 fiscal year audit, proceedings are ongoing. Completeness of the grants receivable cannot be verified as the organization has limited access to this information. As such, a conservative accounting policy has been adopted to record $138,563 of amounts received back from LBIH as deferred revenues. Upon legal proceeding outcomes, this amount, and any additional grants receivable will be assessed based on the terms of the executed agreements for prior period revenue recognition. The organization is currently in legal proceedings to recover the amounts paid as the total expected grants and associated costs are estimations based on the limited documentation on hand.

As of December 31, 2024, the organization expects to receive $61,552 (2023 - $nil) from LBIH.

12 Financial risks and concentration of risk

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization’s risk exposure and concentrations at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

Credit risk

The organization is not exposed to credit risk as their revenue is derived from grants and funding.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization does not have significant exposure to currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization does not have significant exposure to interest rate risk.

12 Financial risks and concentration of risk continued

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through the investments.

The extent of the organization's exposure to the above risks did not change during the fiscal year.

13 Comparative figures

Certain comparative figures have been reclassified to conform to the current year presentation.